



CALIFORNIA COMMUNITY FOUNDATION
NONPROFIT AGENCY ENDOWMENT FUND
INSTRUMENT OF GIFT

This Agreement is made this 13 day of September, in the year 2012, between Westchester Streetscape Improvement Association, a California nonprofit public benefit corporation having its principal office in Los Angeles, CA (the "Agency"), and the California Community Foundation, (the "Foundation"), a California nonprofit public benefit corporation having its principal office in the City of Los Angeles and State of California, to create a philanthropic and charitable fund.

1. **Creation of Fund.** The fund hereby created shall be known as the Westchester Streetscape Project Maintenance Fund (the "Fund" or the "Reserves Fund"). The Fund will initially consist of a cash deposit by or on behalf of the Agency of the sum of Eight Hundred Fifty Thousand Dollars (\$850,000). All money and property transferred to the Fund shall be an irrevocable transfer to the Foundation.

2. **Management of Fund.** The Foundation shall hold, manage, invest and reinvest the Fund, shall collect the income and shall make distributions from the Fund exclusively for general charitable uses and purposes, in accordance with the provisions specified in the Articles of Incorporation of the Foundation. The Articles of Incorporation have been adopted by the Board of Directors of the Foundation, and their provisions, as they may be amended from time to time, are hereby incorporated by reference and conclusively assented to and adopted. The phrase "charitable uses and purposes" shall be defined as all of those activities, uses and purposes described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code").

3. **Distributions from the Fund.** The Agency is the beneficiary of the Fund. Distributions from the Fund shall not exceed the lesser of (a) five percent (5%) of the market value of the assets of the Reserves Fund as determined using the average balance of the Reserves Fund over the prior twelve (12) quarters (or all quarters since the date hereof if the Reserves Fund has been in existence fewer than twelve (12) quarters) or (b) five percent (5%) of the market value of the assets of the Reserves Fund as of the end of the immediately preceding fiscal year. Distributions shall be made at least annually, or more frequently, as the parties may from

Westchester Streetscape Project Maintenance Fund

Page 2 of 4

time to time agree. The Agency shall use distributions from the Fund for maintenance of the Sepulveda Streetscape Project or other streetscape maintenance consistent with the Amended and Restated Development Agreement dated as of November 2, 2011, and entered into by and between the City of Los Angeles and BRE/MHK HHL, LLC, or other maintenance costs as determined by Agency.

4. **No Other Distributions.** In transferring its property to the Fund, the Agency intends to create a permanent endowment. No distributions in excess of the amount indicated in Section 3 above may be made to the Agency in any year.

5. **Costs of Administration.** The Foundation shall charge fees to the Fund in accordance with the Fee Schedule adopted from time to time by the Foundation's Board of Directors. The Fee Schedule in effect as of the date of this Agreement is attached as Attachment A.

6. **Component Part and Not a Donor Advised Fund.** It is intended that the Fund shall be a component part of the Foundation as defined in Section 1.170A-9(f)(11) of the Income Tax Regulations and that nothing in this Agreement shall affect the status of the Foundation as an organization (i) described in Section 501(c)(3) of the Code and (ii) which is not a private foundation within the meaning of Section 509(a) of the Code. The Fund shall meet the requirements of a single entity designated fund under Section 4966(d)(2)(B)(i) of the Code and shall not be a donor advised fund under Section 4966(d) of the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and to conform to the requirements of the foregoing provisions of the Federal tax laws and any regulations issued thereunder.

7. **Status of Foundation.** All transfers of property under this Agreement are subject to the condition that the Foundation, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization (i) described in Section 501(c)(3) of the Code and (ii) which is not a private foundation as defined in Section 509(a) of the Code.

8. **California Law.** The Fund created by this Agreement shall be administered in and under the laws of the State of California, and this Agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of California.

Westchester Streetscape Project Maintenance Fund

Page 3 of 4

9. **Variance Power.** The Fund is protected from obsolescence. If, in the sole judgment of the Board of Directors of the Foundation, the purposes for which the Fund was created ever become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation's Board of Directors may, after advising Agency in writing at least thirty (30) days advance, modify any restriction or condition on the use or distribution of the income and principal of the Fund..

10. **Preferred Successor.** If for any reason Agency ceases to function and/or becomes unable to perform its obligations under this Agreement or with respect to the Westchester Streetscape Project contemplated by the Development Agreement, the Foundation's Board of Directors may consider whether Westchester Town Center Business Improvement District ("WTC BID") can be an appropriate successor to this agreement. If the Foundation's Board of Directors makes the determination that WTC BID is an appropriate successor agency, WTC BID shall for all purposes be considered the "Agency" for purposes of this agreement.

Westchester Streetscape Project Maintenance Fund

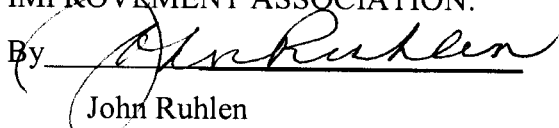
Page 4 of 4

11. **3rd Preferred Successor.** If for any reason WTC BID / Agency as described in Paragraph 10 above, ceases to function and/or becomes unable to perform its obligations under this Agreement or with respect to the Westchester Streetscape Project contemplated by the Development Agreement, the Foundation's Board of Directors may consider whether the then local City Council District Office may be an appropriate successor to this agreement. If the Foundation's Board of Directors makes the determination that the local City Council District Office is an appropriate successor agency, then that Office shall for all purposes be considered the "Agency" for purposes of this agreement.

IN WITNESS WHEREOF, the Agency and the Foundation have executed this Agreement as of the date first above written.

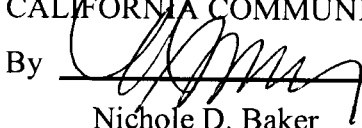
WESTCHESTER STREETSCAPE
IMPROVEMENT ASSOCIATION:

By


John Ruhlen
President

CALIFORNIA COMMUNITY FOUNDATION:

By


Nichole D. Baker

Vice President, Development & Donor Relations